



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

April 10, 1998

The Honorable Lincoln Diaz-Balart  
U. S. House of Representatives  
Washington, D.C. 205 15

**OST-96-1700-132**  
**OST-97-3285-41**

DEPT. OF TRANSPORTATION  
DOCKET SECTION  
98 MAY -6 PM 4: 16

Dear Congressman Diaz-Balart:

Thank you for your letter concerning the American Airlines-TACA Group application for authority to conduct code-share operations between the United States and six Central America countries (Docket OST-96- 1700); and the American-Lan Chile application for approval of and antitrust immunity for an alliance agreement (Docket OST-97-3285).

By Order 97-12-3 5, issued December 3 1, 1997, the Department tentatively decided to approve with several conditions the American-TACA Group code-share application. Several interested parties, including the Department of Justice, have filed comments regarding the Department's tentative decision.

By Order 98-2-2 1, issued February 20, 1998, the Department established a procedural schedule for the filing of answers and replies in the American-Lan Chile antitrust immunity case. Several interested parties have filed in opposition to this request.

As each of these proceedings are currently pending before the Department and have been contested, I am sure you understand that the Department's rules preclude me from commenting on their merits at this time. I can assure you that we will consider all relevant factors in reaching our decisions. I will also see that you receive a copy of the Department's findings in each case.

In accordance with the Department's Rules of Conduct (14 C.F.R. Part 300), I am placing a copy of your letter and my response in the correspondence section of Dockets OST-96-1700 and OST-97-3285, as well as in the file for views submitted outside the formal record of these cases. If you have any further questions, please contact me or Steven Palmer, Assistant Secretary for Governmental Affairs, at (202) 366-4573.

I appreciate your interest in this matter.

Sincerely

Rodney E. Slater

LINCOLN DIAZ-BALART

21ST DISTRICT, FLORIDA

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(SENIORITY RETAINED)



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0921**

March 11, 1998

The Honorable Rodney Slater  
Secretary  
U.S. Department of Transportation  
400 Seventh Street, SW  
Washington, D.C. 20590

Dear Secretary Slater:

As a member of the South Florida congressional delegation, I respectfully urge the Department to expeditiously complete its review of the codesharing agreement proposed by American Airlines and the TACA Group (OST-96-1700) -- an agreement that has now been pending at the Department for nearly 20 months. I also request that the Department complete its consideration of the antitrust and codeshare applications submitted by American airlines and Lan Chile on December 23, 1997.

Over the years, American Airlines, in partnership with the South Florida community, has steadily built Miami International Airport into a world-class international hub through which tens of millions of travelers pass annually. The extensive array of flights American offers today to dozens of points in North America, Latin America, and Europe has acted as a magnet attracting economic activity to the area, making South Florida a vibrant international business center.

Since 1995, the DOT policy favoring codesharing relationships between U.S. and foreign airlines has fundamentally changed the nature of international aviation. Competition is now globally based, and occurs between networks of allied carriers that, with DOT's approval, link networks that offer passengers the functional equivalent of single carrier service over their combined systems. These agreements have made communities with hub airports the center of economic activity and greatly increased passenger service.

I believe that DOT should act expeditiously to complete its review of the aforementioned agreements so Miami International Airport and our South Florida community may enjoy the benefits of these agreements. In doing so, your Department will open the door to increased service and competition from Miami to Central and South America, greater price and service options in those

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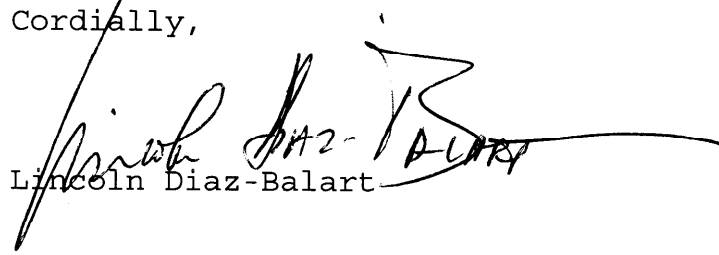
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The Honorable Rodney Slater  
March 11, 1998  
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markets, and an array of consumer benefits such as fully reciprocal frequent flyer agreements for passengers.

I believe that DOT's prompt and favorable review of these two transactions will be a good start in giving Miami and South Florida a fair chance to enjoy the rewards experienced by other communities with similar agreements already in place. Thank you for your consideration of these important matters.

Cordially,



Lincoln Diaz-Balart

LDB:mde